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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

EXTENSION OF THE SECOND COUNTRY PROGRAMME FOR THE NETHERLANDS ANTILLES

Programme period	Resources	$
1993	Net IPF	-
	Estimated cost-sharing	762 000
	Total	762 000

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I. JUSTIFICATION

1. The second country programme for the Netherlands Antilles was approved by the Governing Council at its thirty-third session for the 1987-1991 period. Subsequently, the Government requested an extension of the country programme pending resolution of some of the implications of Governing Council decision 91/29 of 25 June 1991 on net contributor countries.

2. In accordance with this decision, United Nations Development Programme (UNDP) missions visited the Netherlands Antilles and the Netherlands, as the administering body, to review arrangements for the third country programme. These missions were successfully concluded. The Netherlands Antilles has met its obligations for the fourth cycle and has indicated that it will meet its fifth cycle obligations.

3. The Netherlands Antilles has been issued an indicative planning figure (IPF) of $251,000 for the fifth cycle, which will be subject to further adjustment once the status of all countries affected by net contributor country obligations for the fourth cycle, in accordance with Governing Council decisions 92/30 and 92/31 of 26 May 1992, become known. A further adjustment of the IPF will therefore be announced in June of 1993, when the Administrator will inform the Council of the complete list of IPFs for the fifth cycle.

4. The fifth country programme for the Netherlands Antilles is unlikely to exceed $10 million. The programme will therefore continue to be administered from the field office in Trinidad and Tobago, which also serves Aruba and Suriname. Having been designated as a net contributor country for the fifth cycle, the Government of the Netherlands Antilles is required to reimburse fully the costs of the country programme, either from its own resources or from a combination of those resources and resources from bilateral and other donors. However, the country is suffering from financial constraints resulting from national structural adjustment and reform programmes. These constraints constitute the principal reason for delays in arriving at a definitive decision about the Government's participation in a fifth cycle country programme.

5. The proposed extension of the current programme will therefore provide time for further consultations between the Government and UNDP. These consultations will deal with the nature of services to be provided by UNDP, the most appropriate mechanisms for delivering these services, financial commitments and sources and the scope of the technical cooperation programme during the fifth cycle. It is expected that the new country programme will be submitted to the Governing Council at its regular session in June 1994.

II. OBJECTIVES

6. The first country programme for the Netherlands Antilles focused on the following objectives: (a) expansion of tourism and related industries;
(b) increased agriculture, animal husbandry and fisheries production;
(c) development and diversification of industry and manufacturing;
(d) strengthening of the transportation and communications infrastructures;

and (e) development of human resources. These objectives remain valid for the period of extension.

7. The economy of the Netherlands Antilles relies primarily on four sectors: (a) off-shore financial institutions; (b) oil refining and transshipment; (c) tourism; and (d) trade. Recent economic performance has been weak, with marginal growth in 1991. Considerable attention has been given over the last few years to improving human resources development, particularly in the public sector. Key concerns continue to be improved managerial skills, higher productivity and a reduction in outlays for public-sector services.

8. Although the economy of the island of Curaçao remains predominant, the Government has developed Public Sector Investment Plans focusing on the specific problems of the other areas of the country (Bonaire, Saba, St. Eustatius and St. Maarten). Common issues for all the islands are public administration reform, increased investment in tourism facilities, tourism promotion and the future constitutional arrangements among the territories and vis-à-vis the Netherlands.

III. PROGRAMME DESCRIPTION

9. A considerable shift in emphasis occurred during the implementation of the second country programme. Increasingly, technical cooperation efforts have been mobilized to enhance fiscal and financial management to improve cost-recovery efforts in the public sector. Institution-building and strengthening of a core macroeconomic planning capability have also been supported.

10. Concomitant with public sector reform issues, the Government has given increased attention to important social issues facing the country, particularly chronic housing shortages (for the most part in Curaçao), high rates of unemployment among youth and women, teenage pregnancy and drug abuse. Discussions with authorities during the country programme extension period will focus on the identification and formulation of effective technical cooperation strategies to combat these social problems, which have been greatly exacerbated by stringent reforms in the public sector.

11. The Government continues to be interested in establishing closer links with neighbouring countries and regions, particularly the Caribbean. This interest will be fostered by the Regional Programme for Latin America and the Caribbean, through which important dimensions of technical cooperation among developing countries (TCDC) will be generated.

IV. FINANCIAL SUMMARY

ESTIMATED RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

		$	$
A.	Ongoing country programme		
	Fourth cycle IPF	-	
	Carry-over/borrowing	1 055 000	
	Fourth cycle cost-sharing	523 000	
	Total		1 576 000
B.	Anticipated resource needs for extension period		
	IPF	-	
	Programme cost-sharing	284 000	
	Project cost-sharing	478 000	
	Total		762 000
C.	Fifth cycle balance available after extension period		
	IPF	251 000	
	Cost-sharing a/		-
	Total a/		-

a/ To be confirmed.

V. RECOMMENDATION

12. The Administrator recommends that the Governing Council approve the second extension of the second country programme for the Netherlands Antilles.